

To: Delaware General Assembly

From: Developmental Disabilities Council

RE: S.B. No. 162 (Pharmacy Fee)

Date: February 17, 2010

The Developmental Disabilities Council has reviewed S.B. No. 162 Pharmacy Fee. We understand that the bill is ostensibly an attempt to provide an incentive for pharmacies to participate in the Medicaid prescription drug program. In the past, some pharmacies threatened to discontinue participation in the Medicaid program based on low profit margins. See, e.g., attached press release and articles. This bill would impose an additional gross receipt license fee for a pharmacy refusing to fill Medicaid prescriptions. The additional fee is substantial, i.e., 2% of the aggregate sales of all products sold by the pharmacy. For comparison, the standard license fee for a retailer is 0.720% of the aggregate gross receipts subject to authorized deductions. See Title 30 Del.C. §2905.

The DD Council endorses the concept of S.B. No 162 as it would provide an incentive for pharmacy participation in the Medicaid program.

Thank you for your consideration of our remarks. Should you have questions regarding our comments please contact our office at 739-3333.